SI. No.	Sector	Amount of Inflow	%with Inflow®
36.	Euro Issues (GDR)**	762.80	@
37.	Acquisition of Shares#	4115.40	@
38.	Advance of Inflow	769.54	@
39.	NRI-RBI Schemes*	11.08	@
	Grand Total:	13970.79	

NOTE:

* Special NRI schemes administered by RBI from 01/01/2002 to 31/08/2002.
No country-wise details are available with RBI.

** The amount of inflows raised through GDRs/ADRs/FCCBs against the FDI approvals accorded by FIPB during the period from January 2002 to August 2002 on the basis of information furnished by RBI.

\# Reported by RBI, Mumbai-Transfer of shares from resident to Non-Resident
under FEMA during January 2002 to August 2002.

@ % Figures do not take into account the amount of FDI inflows for ADR/GDR, FCCB's, acquisition of existing shares, advance pending for allotment of shares and RBI-NRI schemes as these are not categorised country-wise/sector-wise.

Capital Investment in India

2527. SHRI S. AGNIRAJ: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the total level of venture capital investment in India during this financial year;

(b) whether it is a fact that China has attracted more investment than India;

(c) if so, the details thereof; and

(d) the steps taken to bring in more venture capital investment in the country?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH): (a) Total inflow of Foreign Direct Investment (FDI), including venture capital investment, amounting to Rs. 7484.83 crore, has been received during the current financial year (period from 1.4.2002 to 31.8.2002).

(b) and (c) Comparative inflow figures in the last three years in respect of India and China as reported in UNCTAD's World Investment Report, 2002 (WIR02) are as under:

(Million of Dollars)

Year	India	China
1999	2,168	40,319
2000	2,319	40,772
2001	3,403	46,846

A straight comparison between India and China on the basis of WIR02 reporting might not reveal the true picture as the FDl reported in WIR02 in respect of both India and China is based on national official sources and not in accordance with international standards stipulated in the Balance of Payments Manual (5th Edition) published by the IMF. Whereas the FDl data in respect of India as reported in the WIR02 is based on RBI reporting, which only takes into account direct investment in equity and preference capital and does not take into consideration reinvested earnings and other direct capital flows (which actually should form part of FDl as per IMF definition), the Chinese data includes short-term/long-term borrowings, reinvested earnings, capital contributions in terms of plant and machinery, etc., apart from equity/preference capital inflows.

The differences in the reporting systems obtaining in the two countries render a proper comparison difficult. Notwithstanding the above, the higher level of FDl inflows into China is mainly due to the fact that China had opened up more than a decade before India did, which has enabled, it to attain the critical mass and benefit from its spillover effects. The other factors responsible for the strong performance of China on the FDl front include the Hong Kong-Taiwan advantage, huge infrastructure spending by Government, etc.

(d) The Government of India is making continuous efforts to make India an attractive destination for Foreign Direct Investment (FDl), including venture capital investment, in the region by providing an internationally competitive investment climate in terms of policy framework, procedures and institutions. In order to increase FDl, the Government has permitted access through the automatic route for FDl upto 100% in most sectors/

activities. Offshore Venture Capital Funds/ Companies are allowed to invest in domestic venture capital undertaking as well as other companies through the automatic route, subject only to SEBI regulations and sector specificcaps on FDI.

Impact of globalisation on tea industry

2528. DR. ARUN KUMAR SARMA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the impact of globalisation of future of tea industry in India;

(b) the reasons for sudden decline of tea market and action taken by the Government to rescue the tea producers especially the small tea growers;

(c) the details of financial and technical assistance provided to tea growers as a relief package, fixation of minimum support price, re-schedulement of loan, interest relief etc.; and

(d) the special packages taken by Tea Board, if any, in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDI): (a) With the lifting of quantitative restrictions on imports since April 2001, the domestic economy has been integrated with the world economy. Though imports of tea have increased, this has not had any significant impact on the domestic tea industry as such imports constitute only about 2% of the domestic production of tea. Besides, more than 95% of the imported tea is re-exported after blending with Indian tea. However, to protect against any future surge in imports, the import duty on tea has been increased from 70% to 100% in 2002-03.

(b) to (d) The tea growers in India are presently facing problems due to the decline in the prices of tea. This coupled with lower growth rate of domestic demand and higher cost of production, has adversely affected the tea industry including the small growers.

Government has taken several measures to assist the tea sector and make it more competitive in the liberalized regime. These measures include: